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E0247

QUESTIONS SUBMITTED BY SENATOR INOUE TO SECRETARY SHULTZ

SAUDI ACQUISITION OF CHINESE MISSILES

Q: In March of this year the world learned that Saudi Arabia had acquired Chinese-made CSS-2 class missiles which are nuclear capable and have a range of approximately 1,000 to 1,300 miles. The Saudis have given public assurances, however, that the missiles will be fitted only with conventional warheads.

What steps is the U.S. taking to verify that the new Saudi missiles are not fitted with nuclear or chemical warheads?

A: The Saudis do not have the internal capability of making such warheads themselves. The Saudis' accession to the Nuclear Non-Proliferation Treaty in October 1988 ensures that if the Saudis were to purchase a reactor, it would come with full International Atomic Energy Agency safeguards, including onsite inspections. The Chinese have ~~pledged~~ ^{stated} not to provide the Saudis with chemical or nuclear warheads. ~~or any other country.~~ ^{nuclear warheads to any country including Saudi Arabia.}

Q: Is the United States making any effort to prevent the activation of these new missiles?

A: ~~This~~ This is a regional issue that ^a affects a number of countries. It is unlikely that anyone of the participants will agree to unilaterally disarm. The problem must be faced on a multilateral basis to have any hope of success.

Q: How many Chinese missiles have the Saudis acquired and how many sites now have been activated?

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A: We believe the Saudis have acquired 50 CSS-2 missiles. There are four main sites, and we believe all will be ready for operation by the end of the year. ✓

Q: How has the regional balance of power been altered by the Saudi acquisition of Chinese CSS-2 missiles?

A: The conventionally armed CSS-2's have had little impact on the Arab-Israeli balance of power. The missile is too inaccurate to be effectively used against military installations. Given the Saudis' inability to launch a knock-out blow, first strike, we believe the Saudis intend the CSS-2 for a retaliatory role.

Q: What do you expect to be the response of other states in the region to the Saudi missile purchase?

A: The Saudis acquisition of the CSS-2 was another step in the spread of ballistic missile technology across the Middle East. The Israelis have since launched their own internally developed intermediated range missile, but this had been in development before the CSS-2 revelation.

While the Saudis may view the CSS-2 as needed protection against Iran's Scud missiles, the CSS-2's also puts Saudi Arabia on the list of targets for a preemptive strike by states that previously did not see the Saudis as a potential threat.

Q: What initiatives can and should the U.S. undertake to head-off a new missile arms race in the Middle East?

A: The United States has been working against the missile arms race in the Middle East for sometime. In 1985 we established the Missile Technology Control Regime with six western partners. The CSS-2 revelations underlined the role of ^{other} [eastern] suppliers in the proliferation of this technology and, we have ~~increased our efforts to add the Soviets, Chinese and other potential suppliers to the regime with some success.~~ ^{understand to assure that other potential suppliers do not become involved in the MT C R regime.}

Nevertheless we still face problems from suppliers such as North Korea, who have shown less concern for this important arms control issue.

Q: Has the United States sought any assurances from the Chinese that it will refrain from selling more missiles to states in the Middle East? If not, why not?

A: The United States has sought and received assurance from the Chinese that they will refrain from selling more missiles to the Middle East.

Q: Has the Administration identified the cause of the intelligence failure which for two years failed to produce any indication that the Saudis had contracted with China for these missiles? If so, please explain the cause of the intelligence failure?

Q: While we had information early on about the Saudi/Chinese contract, it took us some time to recognize its full implications. We are now more sensitive to this type of arrangement.

On a number of occasions, including Secretary Shultz's earlier trips to China, the United States has expressed its concern to senior Chinese leaders. The Chinese have responded that China will be part in a prudent and regional way in future arms sales, including ballistic missiles.

The Chinese understand the importance of arms control, and are conducting dialogue with the United States on arms control. Concerning future Chinese exports.

On a number of occasions, including during Secretary Shultz's trip to China, the United States has expressed its concern to senior Chinese leaders over the dangers posed by missile proliferation. The Chinese have responded that they will take a responsible attitude regarding weapons sales, including the

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